

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6836

BILL NUMBER: SB 314

NOTE PREPARED: Feb 28, 2008

BILL AMENDED: Feb 21, 2008

SUBJECT: Agriculture Matters.

FIRST AUTHOR: Sen. Ford

FIRST SPONSOR: Rep. Pflum

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) The bill does the following.

Name Change. The bill changes the name of the Department of Agriculture to the Indiana State Department of Agriculture (ISDA).

Duties of the ISDA. The bill adds specific economic development efforts to be administered by the ISDA. It requires the ISDA to assist agricultural businesses in obtaining and preparing permits and serving as a liaison between the business and state and local government. It provides for the confidentiality of financial and application information obtained by the ISDA that relates to economic development or promotion of agriculture and certain voluntary certification programs. It establishes duties for the director of the ISDA concerning agricultural promotion, research, and international agricultural trade. It establishes duties for the director of the ISDA concerning diversified farming.

Repealed Provisions. The bill repeals provisions concerning (1) operation of livestock export inspection facilities; (2) livestock inspection fees; (3) livestock export facilities; (4) the livestock export facility administration fund; (5) the center for value added research; and (6) adoption of federal fruit grades, domestic grading of certain fruits, inspections, and penalties. The bill also makes conforming changes.

Fertilizer Law. The bill makes changes to the commercial fertilizer law, including changing the definition of "blending" for fertilizers and adding a definition of "ammonium nitrate". It makes it a Class A misdemeanor to knowingly or intentionally violate the commercial fertilizer law. It changes the membership of the Fertilizer Advisory Board. It amends certain definitions concerning pesticide laws. It removes the specific volume requirement for exempted bulk pesticide containers. The bill removes certain pesticides from

the list of restricted pesticides. It requires pesticide product applicants to comply with the pesticide product laws. The bill allows the State Chemist to deny a pesticide product registration. It amends a pesticide product applicant's and registrant's right to a review of a State Chemist's action.

The bill changes the membership of the Pesticide Review Board (board). The bill allows the members to continue to serve until a successor is appointed and qualified. It provides that the board's travel reimbursement must meet Purdue University's travel policies. It allows the State Chemist to have access to production records of pesticide products. The bill provides that the State Chemist may refer violations to the prosecuting attorney. (Current law requires referral.)

The bill amends the definition of "property" under pesticide use and application laws to include vehicles. It includes diagnostic inspections and determining infestations of wood destroying pests as qualifications to obtain a pesticide business license. The bill adds technician registrations to the licenses that are invalid if the business does not maintain financial responsibility. It prohibits (1) verbal misrepresentations concerning the effect of pesticides; (2) using known ineffective amounts of pesticides; (3) refusing to supply the State Chemist information during an investigation or inspection; (4) intentionally altering a license; (5) failing to provide proof of financial responsibility; and (6) impeding duties of the State Chemist.

The bill provides that assaulting the State Chemist or the Chemist's agent while performing their duties is a Class A misdemeanor. It allows the State Chemist to specify the time period certain pesticide records must be kept. It removes the 60-day time limit to file a claim from a pesticide accident and 7-day notification of licensee's after an accident claim is filed.

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Duties of the ISDA.* The proposal will have no fiscal impact because the changes conform to current practices.

(Revised) *Fertilizer Law.* The bill updates the Fertilizer Law so that it conforms with current practice. The bill changes the membership of the Fertilizer Advisory Board. The bill amends a pesticide product applicant's and registrant's right to a review of a State Chemist's action. It changes the membership of the Pesticide Review Board. The bill allows the State Chemist to have access to production records of pesticide products. It provides that the State Chemist may refer violations to the prosecuting attorney. (Current law requires referral.) The bill removes the 60-day time limit to file a claim from a pesticide accident and 7-day notification of licensee's after an accident claim is filed. These provisions will have no significant fiscal impact.

Explanation of State Revenues: (Revised) *Penalty Provision:* A person who knowingly or intentionally violates the commercial fertilizer law commits a Class A misdemeanor. Assaulting the State Chemist or the Chemist's agent while performing their duties is a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenues would likely be small.

Explanation of Local Expenditures: (Revised) *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues:

State Agencies Affected: DOC; ISDA; State Chemist.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Elisha Modisett, Department of Agriculture, 234-4042.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.